

## NEWS RELEASE

### SLB ACHIEVES NET PROFIT OF S\$31.6 MILLION IN FY2022

- ***Backed by strong revenue growth of 119% to S\$92.8 million***
- ***Higher net profit mainly due to:***
  - ***Good take up of remaining units for INSPACE and the Group's other property development projects***
  - ***Higher development profits recognised from Affinity @ Serangoon and Riverfront Residences***
- ***Broadened asset and geographical diversification:***
  - ***Completed acquisition of Hotel Clover in Jalan Sultan, Singapore, for S\$74.8 million, in joint partnership with Weave Living***
  - ***Acquired two commercial buildings at 30 and 31 North Canal Road, Singapore, for S\$14.38 million***
  - ***Acquired an office building in Melbourne's Central Business District, Australia, for A\$35.5 million (approximately S\$34.1 million<sup>1</sup>)***
- ***Proposes final dividend of 0.2 Singapore cents per share***

**Singapore, 27 July 2022** – Diversified property developer, **SLB Development Ltd.** (“**SLB**”, 新聯明發展有限公司, and together with its subsidiaries, the “**Group**”), reported a 167.4% increase in net profit to S\$31.6 million for the financial year ended 31 May 2022 (“**FY2022**”), up from S\$11.8 million for the financial year ended 31 May 2021 (“**FY2021**”).

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<sup>1</sup> Based on the exchange rate of A\$1 to S\$0.96 as at 19 July 2022

**Financial Highlights:**

| (S\$m)  | FY2022 | FY2021 | Change (%) |
|---|--------|--------|------------|
| Revenue   | 92.8   | 42.4   | 119.0      |
| Profit before tax                                       | 35.2   | 14.3   | 146.6      |
| Profit after tax  | 31.6   | 11.8   | 167.4      |
| Profit attributable to Owners of the Company            | 26.2   | 13.4   | 96.5       |
| Earnings per share<br>(Fully Diluted) (Singapore cents) | 2.88   | 1.46   | 97.3       |

Mr Matthew Ong (王榮強), Executive Director and CEO of SLB, said: “We are pleased to have delivered a strong year of results despite the on-going turmoil in the current economic environment. This is built on our firm foundation, namely, strategic partnerships, strong network and diversity, both by our asset portfolio as well as geographical reach. We will keep a steadfast focus and smooth execution of our asset portfolio across the industrial, residential and mixed-use sectors, as we move ahead in our growth path.”

**Broadening Asset and Geographical Diversification**

In December 2021, the Group together with its joint venture partners has made a successful offer for the enbloc acquisition of Peace Centre/Peace Mansion. The acquisition is currently on-going.

On 9 June 2022, the Group announced that its acquisition of the 17 shophouses currently operating as Hotel Clover in Jalan Sultan for S\$74.8 million, has been completed. This hotel was acquired on 11 March 2022, in joint partnership with Weave Living, which has a significant majority ownership. This 2-storey property at Nos 17 to 33 Jalan Sultan has a total land area of 15,201 square feet and a total gross floor area of 35,000 square feet. Comprising 17 adjoining shophouses, this property has a 99-year leasehold tenure starting April 2008.

In addition, on 23 June 2022, SLB, through its wholly-owned subsidiary, SLB NCR (1) Pte Ltd, completed its acquisition of 30 and 31 North Canal Road for S\$14.38 million. This pair of 4-storey commercial buildings has a total land area of 3,207.64 square feet and a net lettable area of 11,464 square feet. Strategically located on the north-eastern side of North Canal Road, 0.5 km from city centre, this property has close proximity to MRT stations such as Clark Quay, Chinatown and Raffles Place.

On 26 July 2022, the Group's 15%-owned associated company, KSH Ultra Unity Pte Ltd ("**KSHUU**") has successfully tendered for the collective purchase ("**Purchase**") of all the lots and the common property comprised in Strata Title Plan No. 1652 in the development known as Euro-Asia Apartments at 1037 Serangoon Road Singapore 328170 ("**Property**") at the purchase price of S\$222.18 million. The completion of the Purchase is subject to the fulfilment of applicable terms and conditions. The Property is a freehold property comprising approximately 56,476 square feet of land area. It has a maximum allowable Gross Floor Area of approximately 158,132 square feet. KSHUU intends to redevelop the Property into a new residential development with approximately 172 residential units.

In Australia, SLB has also entered into a contract of sale to acquire a property located at 225 King Street, Melbourne for A\$35.5 million. The completion will take place 90 days from 31 May 2022. 225 King Street is a 12-storey office building located in Melbourne's Central Business District ("**CBD**"), in the thriving Flagstaff precinct, comprising 67,663 square feet of net lettable area. It is well-located in the Melbourne CBD with close proximity to King Street and good access to the public transport network, such as Lonsdale Street buses, Southern Cross, Melbourne Central and Flagstaff Train Stations and multiple surrounding tram services.

This is the second acquisition in Melbourne, Australia, for SLB. In April 2021, the Group invested in the Australian property market by acquiring the RMIT Bourke Street Centre via a joint venture with independent property investment company, Futuro Trust and Hong Kong's Baring Private Equity Asia (BPEA).

Commenting on these recent corporate developments, Mr Ong added, “We continued to extend our focus during the year, from the ‘living sectors’ to the office segment in both Singapore and Australia. Our intention is to further create value to these properties through proactive asset enhancement initiatives.

“We will continue to source for accretive acquisition opportunities that support our drive to create green and sustainable assets, whilst diversifying the Group’s geographical footprint and income streams.”

### **Financial Review**

The Group reported S\$92.8 million revenue for FY2022, an increase of 119.0% as compared to S\$42.4 million registered in FY2021. The increase in topline was mainly due to an increase in revenue recognised from INSPACE; offset by a decrease in revenue recognised from Mactaggart Foodlink.

The Group's gross profit increased by S\$13.2 million or 121.5% to S\$24.0 million in FY2022 from S\$10.8 million in FY2021 due to higher revenue recognised from INSPACE during the year.

Other operating income increased by S\$1.6 million or 26.1% to S\$7.7 million in FY2022 from S\$6.1 million in FY2021, mainly due to an increase in rental income of S\$2.3 million; offset by a decrease in foreign exchange gain of S\$0.5 million.

Share of results of joint ventures and associates increased by S\$12.5 million from S\$6.8 million in FY2021 to S\$19.3 million in FY2022. The increase in share of results of joint ventures and associates was mainly due to increases in development profits recognised from Affinity @ Serangoon and Riverfront Residences as additional units were sold and construction of the respective projects progressed.

The Group's balance sheet remained healthy, with a net gearing of 0.46 time, which will enable SLB to gear up and react swiftly to opportunities in the market.

Overall, the Group registered a net profit attributable to owners of the Company of S\$26.2 million in FY2022, representing a 96.5% increase as compared to S\$13.4 million in FY2021.

Fully diluted earnings per share for FY2022 was 2.88 Singapore cents, marking a 97.3% increase from earnings per share of 1.46 Singapore cents in FY2021. Net asset value per share as at 31 May 2021 rose to 21.95 Singapore cents as compared to 18.86 Singapore cents a year ago.

### **Proposed Dividend**

To reward its shareholders for their continuous support, the Board has proposed a final cash dividend of 0.2 Singapore cent per share.

### **Outlook**

On 14 July 2022, The Ministry of Trade and Industry ("MTI") announced that based on advance estimates, the Singapore economy grew by 4.8 per cent on a year-on-year basis in the second quarter of 2022, extending the 4.0 percent growth recorded in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, GDP was unchanged in the second quarter, after posting an expansion of 0.9 per cent in the first quarter<sup>2</sup>.

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<sup>2</sup> Ministry of Trade and Industry, 14 July 2022 – Singapore's GDP grew by 4.8 Per Cent in the Second Quarter of 2022

According to real estate statistics released by the Urban Redevelopment Authority (“URA”), flash estimates for the private residential property price index increased by 3.5 per cent quarter-on-quarter in 2Q2022, compared to the 0.7 per cent quarter-on-quarter increase in 1Q2022<sup>3</sup>. Meanwhile, developers sold a total of 2,397 private residential units, excluding executive condominiums, in 2Q2022 as compared to the 1,825 units sold in the previous quarter.

With the latest measures proposed by the Ministry of National Development in December 2021 aimed at cooling the private residential market, and taking into account the current higher interest rate environment and slowing economic growth outlook, the Group continues to remain cautious and will be financially prudent when seeking for opportunities to replenish its land bank.

Following the recent acquisitions and investments, the Group will continue to monitor the property market closely alongside its partners and take appropriate actions when necessary. In both Singapore and Australia, SLB will continue to leverage on the reopening of borders and return-to-office trends, as well as seek opportunities to diversify its income streams further for sustainable future growth.

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*This news release is to be read in conjunction with the Company’s related financial announcement released on the SGXNet on the same day.*

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<sup>3</sup> Urban Redevelopment Authority, 22 July 2022 – Release of 2<sup>nd</sup> Quarter 2022 real estate statistics

**ABOUT SLB DEVELOPMENT LTD.**

SLB Development Ltd. is a diversified property developer with extensive experience and track record across the different asset classes. The diversified nature of its quality portfolio allows effective management of exposure to the fluctuations in demand and/or changes in regulations for each asset classes.

In 2019, SLB established a fund management business in partnership with experienced industry veterans, which aims to actively pursue investment opportunities in real estate funds and various segments of the real estate value chain.

Led by an experienced management team, SLB has built strong networks of business relationships with other partners, and has expanded its presence beyond Singapore to the PRC, UK and Australia.

For more information, please visit [www.slbdevelopment.com.sg](http://www.slbdevelopment.com.sg).

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*This news release has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").*

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